

Article 4.

Vessel Titling Act.

§ 75A-32. Short title.

This Article shall be known as the Vessel Titling Act. (1989, c. 739, s. 1; 2006-185, s. 2.)

§ 75A-33. Definitions.

The definitions set forth in G.S. 75A-2 shall apply to this Article, unless the context clearly requires a different meaning. (1989, c. 739, s. 1; 2006-185, s. 2.)

§ 75A-34. Who may apply for certificate of title; authority of employees of Commission.

(a) Any owner of a motorized vessel or sailboat 14 feet or longer or any personal watercraft, as defined in G.S. 75A-13.3(a), that is applying for a certificate of number for the first time in this State pursuant to G.S. 75A-5(a), and any new owner of a motorized vessel or sailboat 14 feet or longer or any personal watercraft to whom ownership is being transferred under G.S. 75A-5(c) shall apply to the Commission for a certificate of title for that vessel. Any other vessel may be titled in this State at the owner's option. A vessel may not be titled in this State if it is titled in another state, unless the current title is surrendered along with the application for a certificate of title in this State. The Commission shall issue a certificate of title upon reasonable evidence of ownership, which may be established by affidavit, bill of sale, manufacturer's statement of origin, certificate of title in this State, certificate of number or title from another state, or other document satisfactory to the Commission. Only one certificate of title may be issued for any vessel in this State. A vessel may not be titled in this State if it is documented with the United States Coast Guard, unless the documentation has expired or been deleted by the United States Coast Guard. The Commission shall issue a certificate of title upon receipt of a completed application, along with the appropriate fee and reasonable evidence of ownership. The Commission shall require a manufacturer's statement of origin for all new vessels being issued a certificate of number and a certificate of title for the first time. The Commission may request a pencil tracing of the hull identification number (serial number) for vessels being transferred, in order to positively identify the vessel before issuance of a certificate of title for that vessel.

(b) Employees of the Commission are vested with the power to administer oaths and to take acknowledgements and affidavits incidental to the administration and enforcement of this section. They shall receive no compensation for these services. (1989, c. 739, s. 1; 2006-185, s. 2; 2013-360, s. 14.22(e).)

§ 75A-35. Form and contents of application.

(a) The owner or the owner's attorney shall apply for a certificate of title for a vessel. The application shall contain the name, residence, and mailing address of the owner, the county where the vessel is taxed, proof of ownership, and a statement of all liens or encumbrances upon the

vessel in the order of their priority. The application shall also contain the names and addresses of all persons having any interest in the vessel.

(b) Every application for a certificate of title for a vessel shall contain a brief description of the vessel to be titled, including the name of the manufacturer, certificate of number, hull identification number, length, type, and principal material of construction, model year, and purchase information. It shall also include the name and address of the previous owner or owners from whom the vessel was obtained. If the vessel has an outboard motor of greater than 25 horsepower, the application shall also contain identification of the motor, including the serial number and manufacturer. The application shall be made on forms prescribed and furnished by the Commission and shall contain other information as may be required by the Commission. (1989, c. 739, s. 1; 2006-185, s. 2.)

§ 75A-36. Notice by owner of change of address.

Whenever any person, after applying for or obtaining the certificate of title of a vessel, moves from the address shown on the application or certificate of title, that person shall, within 30 days of moving, notify the Commission of the change of address on a form acceptable to the Commission. (1989, c. 739, s. 1; 2006-185, s. 2.)

§ 75A-37. Certificate of title as evidence; duration; transfer of title.

(a) A certificate of title is prima facie evidence of the ownership of a vessel. A certificate of title shall remain in force for the life of the vessel.

(b) Upon the sale, assignment, or transfer of a vessel for which a certificate of title has been issued under this Article, the legal holder of the certificate of title shall deliver it to the purchaser or transferee. The assignment on the certificate must be completed showing transfer of ownership to the purchaser or transferee and settlement of all outstanding liens and encumbrances. The new owner shall submit the assigned certificate of title to the Commission, accompanied by evidence satisfactory to the Commission that all outstanding liens have been released, with the application for transfer of title. The application shall contain all the information required by the Commission for the transfer in order to identify the vessel and the new owner. The application shall show any and all new liens and encumbrances on the vessel, in order of priority, incurred by the owner. The nature of the new liens and encumbrances shall also be given, along with the name and address of all secured parties. (1989, c. 739, s. 1; 2006-185, s. 2.)

§ 75A-38. Commission's records; fees.

(a) The Commission shall maintain a record of any title it issues.

(b) The Commission shall charge a fee of thirty dollars (\$30.00) to issue a new or transfer certificate of title. The Commission shall transfer on a quarterly basis at least ten dollars (\$10.00) of each new or transfer certificate of title to the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund established by G.S. 143-215.73F. The Commission shall charge a fee of ten dollars (\$10.00) for each duplicate title it issues and for the recording of a supplemental lien. (1989, c. 739, s. 1; 2006-185, s. 2; 2013-360, s. 14.22(f); 2014-100, s. 14.19(c); 2016-94, s. 14.12(c).)

§ 75A-39. Duplicate certificate of title.

The Commission may issue a duplicate certificate of title plainly marked "duplicate" across its face upon application by the person entitled to hold the certificate if the Commission is satisfied that the original certificate has been lost, stolen, mutilated, destroyed, or has become illegible. Mutilated or illegible certificates shall be returned to the Commission with the application for a duplicate. If a duplicate certificate of title has been issued and the lost or stolen original is recovered, the original shall be promptly surrendered to the Commission. A duplicate certificate of title, not bearing the word "duplicate" across its face, shall be issued for anyone having an address change or name change so long as the original title is surrendered and the appropriate fees paid as provided in G.S. 75A-38(b). If the original certificate of title is not surrendered to the Commission, the duplicate certificate of title shall be plainly marked "duplicate" across its face. (1989, c. 739, s. 1; 2006-185, s. 2.)

§ 75A-40. Certificate to show security interests.

The Commission, after receiving an application for a certificate of title for a vessel, shall, upon issuing the certificate of title to the owner, show upon the face of the certificate of title all security interests in the order of their priority as shown in the application. (1989, c. 739, s. 1; 2006-185, s. 2.)

§ 75A-41. Security interests subsequently created.

Except for security interests in vessels that are inventory held for sale, security interests created in vessels by the voluntary act of the owner after the original issue of title to the owner must be shown on the certificate of title. In such cases, the owner shall file an application with the Commission on a form furnished for that purpose, setting forth all security interests and other information as the Commission requires. The Commission, if satisfied that it is proper that the security interests be recorded, shall upon surrender of the certificate of title covering the vessel, issue a new certificate of title showing any security interests in the order of the priority according to the date of the filing of the application. For the purpose of recording the subsequent security interest, the Commission may require any secured party to deliver the certificate of title to the Commission. The newly issued certificate shall be sent or delivered to the secured party of first priority listed on the certificate of title. (1989, c. 739, s. 1; 2000-169, s. 38; 2006-185, s. 2.)

§ 75A-42. Certificate as notice of security interest.

A certificate of title, when issued by the Commission showing a security interest, shall be deemed adequate notice to the State, creditors, and purchasers that a security interest in the vessel exists. No other recording or filing of the creation or reservation of a security interest in the county or city wherein the purchaser or debtor resides or elsewhere is necessary and shall not be required. Vessels, other than those that are inventory held for sale, for which a certificate of title is currently in effect, shall be exempt from the provisions of G.S. 25-9-309, 25-9-310, 25-9-312, 25-9-320, 25-9-322, 25-9-323, 25-9-324, 25-9-331, 25-9-404, 25-9-405, 25-9-406, and 25-9-501 to 25-9-526 for so long as the certificate of title remains in effect. (1989, c. 739, s.1; 2000-169, s. 39; 2006-185, s. 2.)

§ 75A-43. Security interest may be filed within 30 days after purchase.

If application for the recordation of a security interest to be placed upon a vessel is filed in the principal office of the Commission within 30 days from the date of the applicant's purchase of the vessel, it shall be valid to all persons, including the State, as if the recordation had been done on the day the security interest was acquired. (1989, c. 739, s. 1; 2006-185, s. 2.)

§ 75A-44. Priority of security interests shown on certificates.

Except for security interests in vessels that are inventory held for sale, security interests shown upon the certificates of title issued by the Commission pursuant to applications for certificates shall have priority over any other liens or security interests against the vessel however created and recorded, except for a mechanics lien for repairs, provided that the mechanic furnishes the holder of any recorded lien who may request it with an itemized sworn statement of the work done and materials supplied for which the lien is claimed. (1989, c. 739, s.1; 2000-169, s. 40; 2006-185, s. 2.)

§ 75A-45. Legal holder of certificate of title subject to security interest.

The certificate of title of a vessel shall be delivered to the person holding the security interest having first priority upon the vessel and retained by that person until the entire amount of the security interest is fully paid by the owner of the vessel. The certificate of title shall then be delivered to the secured party next in order of priority and so on, or, if none, then to the owner of the vessel. (1989, c. 739, s. 1; 2006-185, s. 2.)

§ 75A-46. Release of security interest shown on certificate of title.

An owner, upon securing the release of any security interest upon a vessel shown upon the certificate of title issued for the vessel, may exhibit the documents evidencing the release, signed by the person or persons making the release, and the certificate of title to the Commission. When it is impossible to secure the release from the secured party, the owner may exhibit to the Commission any available evidence showing that the debt secured has been satisfied, together with a statement by the owner under oath that the debt has been paid. If the Commission determines that the secured debt has been satisfied in full, the Commission shall issue to the owner either a new certificate of title in proper form or an endorsement or rider showing the release of the security interest which the Commission shall attach to the outstanding certificate of title. (1989, c. 739, s. 1; 2006-185, s. 2.)

§ 75A-47. Surrender of certificate required when security interest paid.

It is unlawful and constitutes a Class 1 misdemeanor for a secured party who holds a certificate of title as provided in this Article to refuse or fail to surrender the certificate of title to the person legally entitled to it within 10 days after the security interest has been paid and satisfied. (1989, c. 739, s. 1; 1993, c. 539, s. 567; 1994, Ex. Sess., c. 24, s. 14(c); 2006-185, s. 2.)

§ 75A-48. Levy of execution, etc.

A levy made by virtue of an execution or other proper court order, upon a vessel for which a certificate of title has been issued by the Commission, shall constitute a lien, subsequent to security interests previously recorded by the Commission and subsequent to security interests in inventory

held for sale and perfected as otherwise permitted by law, if and when the officer making the levy reports to the Commission at its principal office, on forms provided by the Commission, that the levy has been made and that the vessel levied upon has been seized by and is in the custody of the officer. Should the lien thereafter be satisfied or should the vessel levied upon and seized thereafter be released by the officer, the officer shall immediately report that fact to the Commission at its principal office. After a levy and seizure by an officer and before the officer reports the levy and seizure to the Commission, any person who fraudulently assigns, transfers, causes the certificate of title to be assigned or transferred, or causes a security interest to be shown upon the certificate of title, is guilty of a Class 1 misdemeanor. (1989, c. 739, s. 1; 1993, c. 539, s. 568; 1994, Ex. Sess., c. 24, s. 14(c); 2006-185, s. 2.)

§ 75A-49. Registration prima facie evidence of ownership; rebuttal.

A valid certificate of number issued under the provisions of this Chapter, or any similar document issued under the jurisdiction of any other state or country, shall be prima facie evidence of ownership of a vessel and entitlement to a certificate of title under the provisions of this Article, but ownership established by such documents shall be subject to rebuttal. (1989, c. 739, s. 1; 2006-185, s. 2.)